

submitting said batch to a transaction processor; and

updating the accounts of said plurality of cardholders based on results reported

by said transaction processor.

REMARKS

The Examiner, Forest Thompson, Jr., is thanked for the courtesy of the interview conducted with the Messrs. Steve Schreiner and David Milligan on June 11, 2002. During the interview, the discussion involved the merits of the Office Action mailed March 29, 2002.

The claims have been amended to even more clearly distinguish over Kolling et al. (U.S. Patent No. 5,920,847), Fernandez-Holmann (U.S. Patent No. 5,787,404), Carlisle et al. (U.S. Patent No. 5,649,118), Pollin (U.S. Patent No. 6,041,315), Perazza (U.S. Patent No. 5,326,959), and Reeder (U.S. Patent No. 6,014,636), individually and in combination.

Rejections under 35 U.S.C. § 102(e)

The Office Action states that claim 13 is rejected under 35 U.S.C. § 102(e) as being anticipated by Kolling et al. (U.S. Patent No. 5,920,847) ("Kolling"). Applicants respectfully submit that Kolling does not disclose or teach all the elements of claim 13, as amended. For example, Kolling does not disclose or teach the auto-charge transactions of claim 13. Each of the embodiments disclosed or taught by Kolling require either the consumer or the biller to initiate the transaction. In contrast, claim 13 recites "wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge." For at least the foregoing reasons, claim 13 is distinguished over the disclosure and teachings of Kolling

**Rejections under 35 U.S.C. § 103**

**Claims 1-4**

The Office Action states that claims 1-4 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Fernandez-Holmann (U.S. Patent No. 5,787,404) (“Fernandez-Holmann”), in view of Carlisle et al. (U.S. Patent No. 5,649,118) (“Carlisle”), Pollin (U.S. Patent No. 6,041,315) (“Pollin”), and Perazza (U.S. Patent No. 5,326,959) (“Perazza”). Applicants respectfully submit that none of these references, either by themselves or in combination, disclose or teach all the elements of claim 1, nor the elements of claims 2-4 which are dependent from claim 1. For example, claim 1 recites a “credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers.” None of the cited references disclose this limitation. Further, claim 1 recites that the “automated charges can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge. Again, none of the cited references disclose this limitation.

**Fernandez-Holmann**

Fernandez-Holmann discloses “providing an investment account with a financial institution . . . for the benefit of the credit card holder [and] funding the investment account by the credit card issuer with a predetermined amount of money on a periodic basis.” (Col. 2, lines 29-36). The investment account, as disclosed by Fernandez-Holmann, is connected to and “funded against the credit based account of the credit card holder.” (Col. 2, lines 37-38). This connection with a credit based account, as disclosed and taught by Fernandez-Holmann, is distinguished from the credit instrument of the present invention which comprises a “credit card having encoded

information thereon.” (Claim 1). The method disclosed and taught by Fernandez-Holmann does not utilize, as claimed in the present invention, a “credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers.” (Claim 1).

Further, Fernandez-Holmann does not disclose or teach a “plurality of clubs, merchants or service providers.” (Claim 1). Rather, Fernandez-Holmann discloses and teaches a single investment account that is funded from a credit based account. Fernandez-Holmann does not teach or disclose the use of “a plurality of clubs, merchants or service providers” with a credit based account or with a credit instrument.

Additionally, Fernandez-Holmann does not disclose or teach “automated charges [that] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge.” (Claim 1). Rather, Fernandez-Holmann discloses a “credit card retirement rebate system” (Col. 4, line 9) which “establishes an investment fund for the benefit of the credit card holder, into which payments will be made by the credit card issuer in the form of monthly credit-based contributions and/or rebates.” (Col. 4, lines 4-7). Fernandez-Holmann discloses and teaches a system of “contributions and/or rebates”, which is distinguished from the “automated charges” of the present invention.

For at least the foregoing reasons, claims 1-4 distinguish over Fernandez-Holmann.

#### **Carlisle**

Carlisle discloses a system of placing multiple credit cards, debit cards, ATM cards, food stamp programs, unemployment compensation, or other welfare programs on a single smart card in such a way that each payment method is insulated and secured

from access by the other payment methods. However, Carlisle only discloses point-of-sale purchases. Carlisle does not disclose or remotely suggest automated charges, much less “automated charges [which] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge”, as recited in claims 1-4 of the present invention.

Further, Carlisle does not disclose a “credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers.” (Claim 1). Rather, Carlisle discloses and teaches placing multiple methods of payment on a single smart card. This is distinguished from the present invention in which one payment method is utilized to pay automated charges to a plurality of clubs, merchants or services providers based on a single card instrument associated with a plurality of clubs, merchants or service providers.

For at least the foregoing reasons, claims 1-4 of the present invention distinguish over the disclosures and teachings of Carlisle

#### **Pollin**

Applicants respectfully submit that Pollin does not teach or disclose all the elements of claim 1, or claims 2-4 which are dependent from claim 1. Among other things, Pollin does not disclose a credit card, much less a credit card with “encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers.” (Claim 1). Further, Pollin does not disclose or teach “automated charges [which] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge.” (Claim 1). For at least these reasons, claims 1-4 distinguish over Pollin.

**Perazza**

Perazza discloses a system for optically reading bill payment information to replace the current paying-bills-by-check system. As with Pollin, Perazza does not disclose a credit card, much less a credit card with “encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers.” (Claim 1). And as with Pollin, Perazza does not disclose or teach “automated charges [which] can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or requests for each automated charge.” (Claim 1). For at least these reasons, claims 1-4 distinguish over Perazza.

**Claims 5-12 and 17-20**

The Office Action states that claims 5-12 and 17-20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Fernandez-Holmann, in view of Reeder (U.S. Patent No. 6,014,636) (“Reeder”) and Kolling. Applicants respectfully submit that none of these references, either by themselves or in combination, teach or suggest all the elements of claims 5-12 or 17-20.

With regard to independent claim 5, from which claims 6-12 are dependent, neither Fernandez-Holmann, nor Reeder or Kolling, disclose or teach “auto-charge transactions [which] do not require the plurality of clubs, merchants or service-providers to submit a charge for each auto-charge transaction.” (Claim 5). The Office Action states that “[n]either Fernandez-Holmann nor Reeder specifically disclose a dues processor system for processing batch files of auto-charges.” (Office Action, page 9, lines 1-2). The Office Actions relies upon Kolling to provide the element of auto-charge transactions. (See Office Action, page 9, lines 9-10). However, Kolling does not

disclose or teach the auto-charge transactions claimed by the present invention. Each of the embodiments disclosed by Kolling require either the consumer or the biller to initiate the transaction. This not only differs from, but teaches away from the “auto-charge transactions” recited in claim 5.

With regard to claim 17, from which claims 18-20 are dependent, neither Fernandez-Holmann, nor Reeder or Kolling, disclose or teach “one or more clubs, merchants or service-providers which are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee.” (Claim 17). As discussed above, the Office Actions relies upon Kolling to provide the element of auto-charge transactions. (See Office Action, page 9, lines 9-10). However, Kolling does not disclose or teach the auto-charge transactions claimed by the present invention. Each of the embodiments disclosed by Kolling require either the consumer or the biller to initiate the transaction. This differs from the “auto-charging of dues or fees” recited in claim 17 in which “one or more clubs, merchants or service-providers which are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee.” (Claim 17).

For at least the foregoing reasons, claims 5-12 and 17-20 are not disclosed or taught by Fernandez-Holmann, Reeder, or Kolling, either by themselves or in combination.

#### **Claims 21-23**

The Office Action states that claims 21-23 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Kolling, in view of Fernandez-Holmann, Carlisle and

Perazza. Applicants respectfully submit that none of these references, either by themselves or in combination, disclose or teach all the elements of claims 21-23.

Among other things, none of the references—either by themselves or in combination—disclose or teach “periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due *by one or more clubs, merchants or service-providers*”—much less “without the one or more clubs, merchants or service-providers submitting a payment request for each fee or due.” (Claim 21). For at least the foregoing reason, claims 21-23 are not disclosed or taught by Kolling, Fernandez-Holmann, Carlisle, or Perazza, either by themselves or in combination.

#### **Claims 14-15**

The Office Action states that claims 14-15 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Kolling. Applicants respectfully submit that Kolling does not disclose or teach all the elements of claim 13, much less the further elements of claims 14 or 15 which depend from claim 13. As previously discussed, Kolling does not disclose or teach the auto-charge transactions of claim 13. Each of the embodiments disclosed or taught by Kolling require either the consumer or the biller to initiate the transaction. In contrast, claim 13 recites “wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge.” For at least the foregoing reasons, claims 14-15 (which are dependent upon claim 13) are distinguished over the disclosure and teachings of Kolling.

#### **Claim 16**

The Office Action states that claim 16 is rejected as allegedly being unpatentable over Kolling, in view of Fernandez-Holmann. Applicants respectfully submit that

neither Kolling or Fernandez-Holmann, nor their combination, disclose or teach all the elements of claim 13, much less the further elements of claim 16 which depends from claim 13. As previously discussed, Kolling and Fernandez-Holmann do not disclose or teach the auto-charge transactions of claim 13. Each of the embodiments disclosed or taught by Kolling and Fernandez-Holmann require either the consumer or the biller to initiate the transaction. In contrast, claim 13 recites “wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge.” For at least the foregoing reasons, claim 16 (which is dependent upon claim 13) is distinguished over the disclosure and teachings of Kolling, or Fernandez-Holmann, or their combination.

#### Claims 24-25

The Office Action states that claims 24-25 are rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Kolling. Applicants respectfully submit that Kolling does not disclose or teach all the elements of claim 21, much less the further elements of claims 24 and 25 which depend from claim 21 via claims 22 and 23, respectively.

Kolling does not disclose or teach “periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due by one or more clubs, merchants or service-providers without the one or more clubs, merchants or service-providers submitting a payment request for each fee or due.” (Claim 21). For at least the foregoing reason, claims 24-25 (which are dependent from claim 21 via claims 22 and 23, respectively) are distinguished over the disclosure and teachings of Kolling



Citigroup E-Z Pay

Applicants' representative is in receipt of the printed website hardcopies of Citigroup's E-Z Pay service that were forwarded via facsimile by Examiner Forest Thompson on June 20, 2002. With regard to said service, Applicants respectfully submit that the present invention as recited in the pending claims distinguishes over said service, either by itself or in combination with the previously discussed cited references. In fact, Applicants note that such a service was discussed and distinguished from the present invention in the application specification.<sup>1</sup> For example, it appears from the disclosure in the printed hardcopies that the system of periodic payments is initiated by the biller (i.e., Citigroup). In contrast, the system and methods of the present invention are automatic without the submission of a periodic authorization or request by the cardholder or biller.

Further, it is unclear from the copyright notification on the hardcopies whether the website disclosure predates the filing, conception and/or reduction to practice dates of the present invention. As such, the Citigroup system may not be a proper § 102 or § 103 reference.

For at least the foregoing reasons, Applicants respectfully submit that the claims of the application are in condition for allowance and respectfully request that a Notice of Allowance be issued on an expedited basis.

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<sup>1</sup> Sometimes a consumer will give a club permission to bill his/her credit card on an ongoing basis so that the consumer does not have to initiate payment each cycle. While this may lighten the burden on the consumer somewhat, it does not eliminate the burden on the club, which still must submit a charge to the consumer's credit card each cycle. Moreover, the consumer must still engage in an initial transaction with each club, merchant or service provider, to grant this authorization to bill the consumer's credit card on a periodic basis. For the consumer wishing to give such authorization to multiple clubs, merchants or service providers, a series of separate transactions must be undertaken. This is a significant shortcoming. (Specification, page 3).

In the event that the Examiner has any questions concerning this Response, or the above-identified application in general, the Examiner is invited to contact the undersigned attorneys concerning such questions so that prosecution of this application may be expedited. Should any fees be due in connection with the filing of this Amendment, the Commissioner is authorized to charge them to Deposit Account No. 50-0206.

Respectfully submitted,

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APPENDIX A

VERSION OF SPECIFICATION WITH MARKINGS

In accordance with 37 C.F.R. § 1.121(c)(ii), Applicants submit this version of the amended claims, marked up to show all the changes relative to the previous version of the claims.

1. (Once Amended) A credit instrument for allowing a cardholder to automatically charge fees to a club, merchant or service provider, comprising:

a credit card capable of charging point of service transactions to be posted on a cardholder's account;

said credit card having encoded information thereon that associates the cardholder with a plurality of clubs, merchants or service providers for which automated charges can be effectuated without requiring the cardholder or the plurality of clubs, merchants or service providers to submit payment authorization or payment requests for each automated charge.

5. (Once Amended) A server-based system for processing auto-charges for one or more clubs, merchants or service-providers, comprising:

a server adapted to interface with user systems for receiving applications and batch processing of auto-charge transactions;

a monetary processor system for processing point of sale transactions submitted over an interchange;

a dues processor system for processing batch files of auto-charges; and

a database containing information of a plurality of cardholders including information describing charges to be processed automatically for a plurality of clubs, merchants or service-providers;

wherein said auto-charge transactions do not require the plurality of clubs, merchants or service-providers to submit a charge for each auto-charge transaction.

13. (Twice Amended) A server-based networked system for processing auto-charges for cardholders associated with [one or more] a plurality of clubs, merchants or service-providers, comprising:

a server for receiving applications, processing point of sale transactions and processing auto-charges to the plurality of clubs, merchants or service-providers;

a plurality of user systems for submitting applications; and

a network interfacing said server and said plurality of user systems;

wherein said auto-charges do not require the plurality of clubs, merchants or service-providers to submit a payment request for each auto-charge.

17. (Twice Amended) A computer-implemented method for providing a credit card system that automatically bills cardholders and credits clubs, merchants or service-providers, comprising:

providing a credit card processing system having a database of cardholder account data;

including in said database information of a plurality of clubs, merchants or service-providers agreeing to auto-charging of dues or fees; and

entering data in said database for an applicant or cardholder of one or more clubs, merchants or service-providers which are to be issued funds automatically without the one or more clubs, merchants or service-providers submitting a payment request for each due or fee.

21. (Twice Amended) A computer-implemented method of processing a series of transaction requests based on information in a database for a plurality of cardholders which describes a plurality of clubs, merchants or service-providers to be paid automatically, comprising:

periodically searching a database to identify a plurality of cardholders who are to be charged a fee or due by one or more clubs, merchants or service-providers without the one or more clubs, merchants or service-providers submitting a payment request for each fee or due;

generating a batch of transaction requests based on said step of searching;

submitting said batch to a transaction processor; and

updating the accounts of said plurality of cardholders based on results reported by said transaction processor.